

“Interest rate reductions are meaningless”

According to Phil Wood, managing director of chartered accountants and licensed insolvency practitioners, Barringtons the current round of government initiatives are merely causing confusion with interest rate cuts totally insufficient to meet the current challenges.

“Interest rate cuts are meaningless unless banks can free up capital and resume lending. Lowering the cost of borrowing in isolation will simply not work as businesses need a combination of initiatives to tackle the soaring number of insolvencies. Whilst firms support government initiatives, many remain unsure just how to access the funds or guarantees. A sizeable proportion have already been refused aid and advised to utilise personal property as collateral to raise funds. This is something they simply should not do,” added Phil.